

REGISTER OF UNIVERSITY OF IOWA
CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS

Actions Requested: Consider approval of:

1. Permission to proceed with project planning for the **University Hospitals and Clinics – Clinical Cancer Center Clinic and Infusion Therapy Suite** project, a major capital project as defined by Board policy.
 - a. Acknowledge receipt of the University's initial submission of information to address the Board's capital project evaluation criteria (see Attachment A);
 - b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
 - c. Authorize permission to proceed with project planning, including the architectural selection process.
2. Permission to proceed with project planning for the **Carver College of Medicine – Utility and Service Tunnel Reconstruction** project.
3. Schematic design and project description and budget (\$2,625,000) for the **University Hospitals and Clinics – Urology Clinic Renovation and Expansion** project, a major capital project as defined by Board policy.
 - a. Acknowledge receipt of the University's final submission of information to address the Board's capital project evaluation criteria (see Attachment B);
 - b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
 - c. Approve the schematic design and project description and budget, with the understanding that this approval will constitute final Board approval and authorization to proceed with construction.
4. Project description and budget (\$2,645,000) for the **Bowen Science Building – Emergency Power** project.

Executive Summary: The **University Hospitals and Clinics – Clinical Cancer Center Clinic and Infusion Therapy Suite** project would finish approximately 46,000 gross square feet of shell space on the first and second levels of the Pomerantz Pavilion West Addition to develop a replacement ambulatory care clinic, infusion therapy suite, and clinical support facilities for the Clinical Cancer Center. The project would also renovate approximately 7,000 gross square feet of space on the fourth level of the General Hospital and Boyd Tower to house the administrative offices of the Center.

Since its inception in 1993, the ambulatory care clinic of the Clinical Cancer Center has experienced significant increases in the annual number of patient visits and infusion therapy procedures (blood transfusions and chemotherapy administrations). Over the last ten years, annual patient visits have increased by nearly 24 percent; in the past five years, annual infusion therapy procedures have increased by nearly 44 percent. As a result of this success, the Center's patient examination/treatment facilities and support areas are reaching their design capacity. UIHC anticipates that this steady growth in patient volume will soon result in serious difficulties in providing timely cancer diagnosis and therapy services.

Faculty and staff of the Clinical Cancer Center are currently located on the fifth floor of the Pappajohn Pavilion and throughout the UIHC facilities. The project would also renovate space on the fourth floor of the General Hospital and Boyd Tower (which formerly housed the Department of Obstetrics and Gynecology) to develop administrative offices, and conference and support facilities to consolidate a number of the Center's faculty and staff.

The estimated project cost of \$11.4 million would be funded by University Hospitals Building Usage Funds.

The **Carver College of Medicine – Utility and Service Tunnel Reconstruction** project would reconstruct the deteriorating Steindler Tunnel on the Health Sciences Campus. The tunnel, which was constructed in 1926 and measures approximately 600 feet in length, consists of a service walkway which provides the main corridor for material handling between multiple buildings on the Health Sciences Campus. The tunnel also includes a utility passageway which houses the main steam and condensate lines serving the Northwest Campus Chilled Water Plant.

The University reports visible signs of deterioration along nearly half of the length of the service portion of the tunnel, and along the entire length of the utility portion. The utility tunnel is structurally deficient and at risk for a steam pipe failure should the condition not be addressed.

The estimated project cost ranges from \$4 million to \$9 million and would be funded by the sale of Utility System Revenue Bonds, Building Renewal funds, and/or Biomedical Discovery Facility project funds.

The **University Hospitals and Clinics – Urology Clinic Expansion and Renovation** project would expand and renovate the Department of Urology ambulatory care clinic located in approximately 14,500 gross square feet of space on the third floor of the Carver Pavilion. The project would include renovation of space previously used by the Department of Radiology to expand the Urology Clinic to 19,331 gross square feet to respond to the Clinic's current and projected growth in patient volume.

Since 1982, the Clinic's patient visits have increased an average of approximately 2.3 percent per year (a total increase of 53 percent to date); this trend is projected to continue at an annual rate of approximately 3 percent per year for the foreseeable future. To accommodate its current and projected growth in patient volume, the Clinic requires additional patient examination, treatment and procedure areas, conference and teaching facilities, and expanded support facilities, as well as improvements in design and space usage to ensure efficient patient care services and patient privacy and confidentiality.

The project budget of \$2,625,000 would be funded by University Hospitals Building Usage Funds and/or Hospital Revenue Bonds.

The **Bowen Science Building – Emergency Power** project would install emergency electrical generation capacity to meet the growing demand for back-up power in the facility. In the event of the loss of electrical power, the back-up generator would supply power to the mechanical systems which support the building's research programs.

The project budget of \$2,645,000 would be funded by Income from Treasurer's Temporary Investments and Carver College of Medicine gifts, grants and earnings.

Details of Projects:

University Hospitals and Clinics – Clinical Cancer Center Clinic and Infusion Therapy Suite

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		June 2007	Requested
Initial Review and Consideration of Capital Project Evaluation Criteria		June 2007	Receive Report

Carver College of Medicine – Utility and Service Tunnel Reconstruction

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		June 2007	Requested

University Hospitals and Clinics – Urology Clinic Expansion and Renovation

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Initial Review and Consideration of Capital Project Evaluation Criteria		Feb. 2006	Received Report
Permission to Proceed		Feb. 2006	Approved
Program Statement		April 2007	Not Required
Final Review and Consideration of Capital Project Evaluation Criteria		June 2007	Receive Report
Schematic Design		June 2007	Requested
Project Description and Total Budget	\$ 2,625,000	June 2007	Requested

The schematic drawings of the proposed and existing floor plans are included as Attachments C and D. The patient entrance and waiting area would be located at the southeast corner of the Clinic. The examination and treatment rooms would be located north of the waiting area, with the procedure and recovery rooms located immediately to the west. The majority of the office areas would be located in the northwest corner. A library, lecture room, and doctors' support and lounge areas would be generally located in the southwest area of the Clinic.

The square footages in the schematic design are generally consistent with the approved building program.

Detailed Building Program

	<u>Program</u>	<u>Schematic</u>	
Faculty and Staff Offices and Teaching Areas	4,254	4,254	
Treatment/Procedure Rooms and Support	3,406	3,406	
Clinic Examination and Support Rooms	2,730	2,730	
Reception/Waiting Area	2,039	2,039	
Building Support	<u>263</u>	<u>263</u>	
Total Net Assignable Space	12,692	12,692	nsf
Anticipated Gross Square Feet	19,362	19,331	gsf
Anticipated Net-to-Gross Ratio = 66 Percent			

Project Budget

Construction	\$ 2,100,000
Professional Fees	210,000
Planning and Supervision	105,000
Contingencies	<u>210,000</u>
TOTAL	<u>\$ 2,625,000</u>
Source of Funds:	
University Hospitals Building Usage Funds	<u>\$ 2,625,000</u>

The University anticipates beginning construction in the fall of 2007 for completion by June 30, 2008.

Bowen Science Building – Emergency Power Upgrade

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Sept. 2006	Approved
Project Description and Total Budget	\$ 2,645,000	June 2007	Requested

Project Budget

Construction	\$ 2,045,119
Design and Administration	300,158
Contingencies	<u>299,723</u>
TOTAL	<u>\$ 2,645,000</u>
Source of Funds:	
Income from Treasurer's Temporary Investments and Carver College of Medicine Gifts, Grants and Earnings	<u>\$ 2,645,000</u>

University Hospitals and Clinics – Clinical Cancer Center Clinic and Infusion Therapy Suite
Evaluation Criteria

Since the project meets the Board's definition of a major capital project, the University has provided the following information in response to the Board's evaluation criteria.

Institutional Mission/Strategic Plan: Completion of this project will be of significant benefit to the UIHC in meeting its patient care mission by providing space to assist in accommodating the continued growth in annual ambulatory clinic visits. As noted above, over the past decade these visits have increased by nearly 24% in the Clinical Cancer Center. UIHC's ambulatory care clinic visits are projected to grow by a comparable rate over the next 10 years. The UIHC's educational and research missions will also be enhanced through development of the necessary space to effectively teach and train students and residents and fellows in the art and science of providing compassionate patient care, and by providing the type of facilities required to conduct innovative research directed toward more clinically efficacious cancer diagnosis and treatment. The project also supports several of the UIHC's Strategic Plan goals, most notably identification of the Clinical Cancer Center as one of UIHC's clinical services that will be a leader in the state and national market by offering cutting edge clinical services, robust clinical research and strong training opportunities; by providing facilities that enhance a patient-centered experience; by providing design features required to streamline patient throughput and to improve the patient's healthcare experience; and, by providing a continuously improving, safe environment for all patients and staff at all times.

Other Alternatives Explored: In 2003, the UIHC engaged a national space planning and management consulting firm, Meaghan Jared Partners, Inc., to assist in determining the optimal plan for meeting the UIHC's needs for additional ambulatory care clinic and procedure unit space for several clinical services, including the Clinical Cancer Center clinic and infusion therapy service. After evaluating three possible sites to meet these needs, including space adjacent to the Clinical Cancer Center on the fourth level of the UIHC, shell space on either the third or fourth level of the Pomerantz Family Pavilion, and shell space that was then under construction as the West Addition to the Pomerantz Family Pavilion, it was ultimately decided that space be committed to the Clinical Cancer Center on the first and second levels of the West Addition. Not only will the level of space on these two floors meet the Clinical Cancer Center's needs, but its location directly above the Center of Excellence in Image-Guided Radiation Therapy will make it possible to serve all adult ambulatory cancer patients in one location. Relocating the Clinical Cancer Center from the fourth level of the Pappajohn Pavilion will also facilitate the expansion of two other clinical centers that are now located on the fourth level of the UIHC. The Center for Digestive Diseases, in Colloton Pavilion, and UI Heart and Vascular Care, in Carver Pavilion, will each be provided much needed expansion space on the fourth level after the Cancer Center has relocated. There are no other viable alternatives available that will as optimally meet the multiple objectives realized by undertaking this project.

Impact on Other Facilities and Square Footage: As previously noted, on completion of this project the space presently occupied by the Clinical Cancer Center ambulatory care clinic, infusion therapy suite and laboratory on the fourth level of the Pappajohn Pavilion will become available for reassignment. This space, which totals approximately 31,000 gross square feet, will be assigned in part to patient care and support functions associated with the Center for Digestive Diseases and UI Heart and Vascular Care to assist each of these multidisciplinary patient care services in meeting their needs for additional ambulatory care clinic and procedure unit space. The specific space allocations will be determined through future planning.

Financial Resources for Construction Project: The project will be funded through University Hospitals Building Usage Funds acquired from depreciation allowances of third parties underwriting the cost of patient care plus hospital net earnings from paying patients. Additionally, hospital revenue bond proceeds may be utilized. No state capital appropriated dollars will be involved.

Financial Resources for Operations and Maintenance: The source of funds to cover the associated operating and maintenance costs will be hospital operating revenues derived from providing patient care services.

External Forces: The development of these facilities is a vital element in enabling the UIHC to meet all components of its tri-partite mission. As noted above, the UIHC continues to experience an increase in outpatient visits that have resulted in several clinical services now experiencing difficulties in providing timely patient services due to the lack of examination and treatment space. This project will provide the Clinical Cancer Center with the necessary space for it to meet the continued growth in patient service volume and to permit the offering of a more comprehensive array of clinical services and programs.

University Hospitals and Clinics – Urology Clinic Expansion and Renovation
Evaluation Criteria

Since the project meets the Board's definition of a major capital project, the University has provided the following information in response to the Board's evaluation criteria.

Institutional Mission/Strategic Plan: Completion of this project will provide the Department of Urology with the facilities required for it to meet its mission of providing outpatient services of the highest quality and efficiency. The department's educational and research missions will also be enhanced through development of the necessary space to more effectively provide residency training and to conduct innovative clinical research. The project also supports several of the UIHC's Strategic Plan goals, most notably by providing a continuously improving, safe environment for all patients and staff; by providing the necessary facilities for developing and implementing new and more efficient healthcare delivery models that emphasize a quality-driven patient experience, and, by implementing a facilities plan that supports the projected future needs for the UIHC and provides facilities that enhance a patient-centered experience, in conjunction with UIHC's goals.

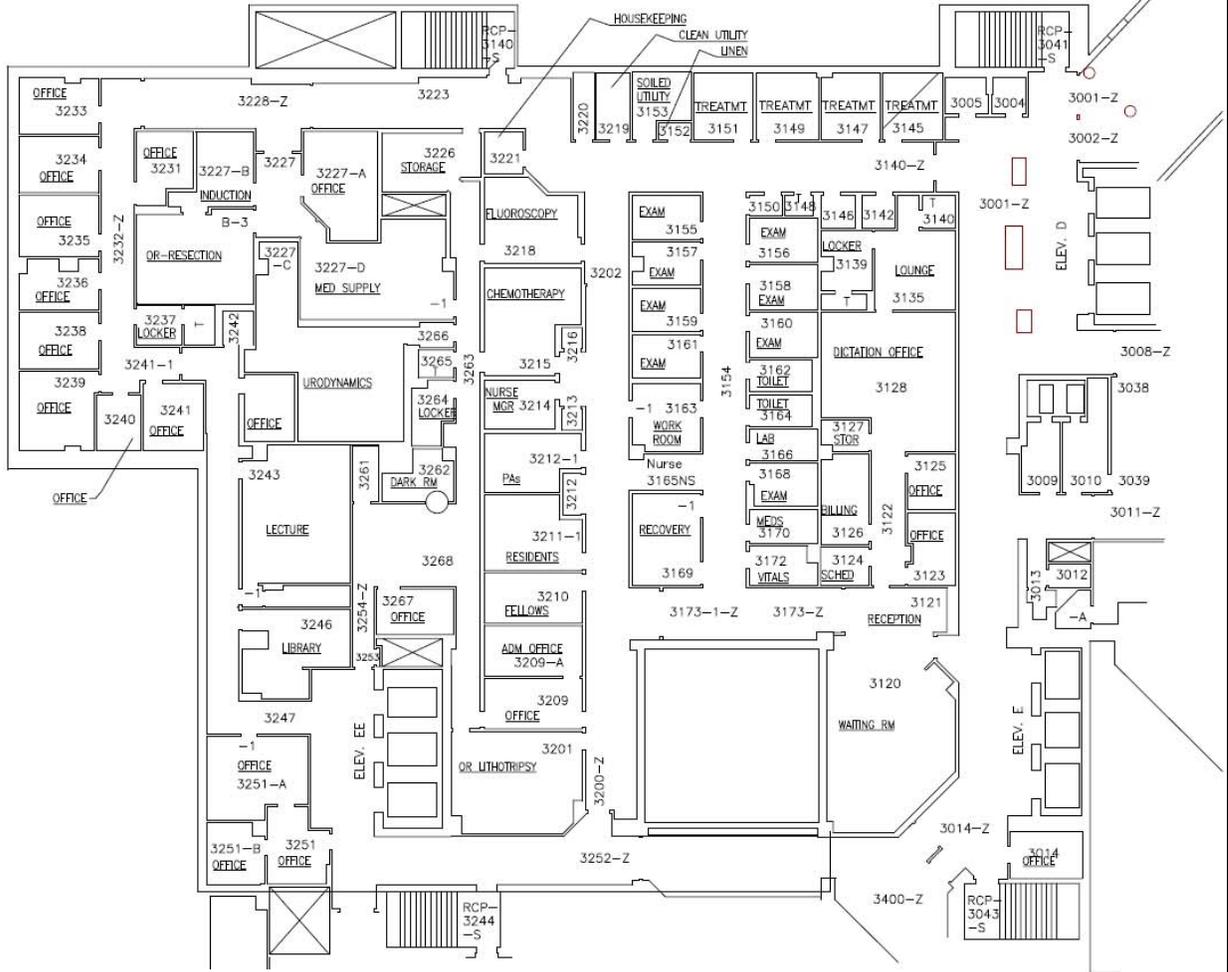
Other Alternatives Explored: The possibility of relocating the Urology Clinic to the Pomerantz Family Pavilion and consolidating the department's procedural services in another location with those of other departments was explored. It was determined that this model would be less efficient than maintaining all of the department's services in one location. Thus, the proposed plan is the most viable alternative for accommodating the growth in this service's ambulatory care patient volume while providing functionally efficient, comfortable and attractive facilities. The decision to renovate the existing clinic facilities and make use of space formerly occupied by the Department of Radiology is the most cost effective mechanism to meet the goals of this project.

Impact on Other Facilities and Square Footage: This project will not result in the abandonment, transfer or demolition of existing facilities.

Financial Resources for Construction Project: The project will be funded through University Hospitals Building Usage Funds acquired from depreciation allowances of third parties underwriting the cost of patient care plus hospital net earnings from paying patients. No state capital appropriated dollars will be involved. The estimated internal rate of return over the life of this project is 7 %.

Financial Resources for Operations and Maintenance: The source of funds to cover the associated operating and maintenance costs will be hospital operating revenues derived from providing patient care services.

External Forces: The renovation and expansion of this ambulatory care clinic is an important element in enabling the UIHC to meet all components of its tri-partite mission. Patient care will be enhanced through expanded clinic examination and support facilities and the design of these facilities will be focused on providing a more comfortable and patient-friendly environment. The design will meet Health Insurance Portability and Accountability Act (HIPAA) requirements for patient privacy and confidentiality. Improvements will be made in the facilities required for the training of residents and the education of medical student to facilitate their interaction with attending physicians, thereby enhancing the level of compliance of these teaching programs with their accrediting agencies. Additional space will also permit more research subjects to participate in clinical trials in proximity to their patient care, thereby enhancing opportunities to gain support for other funded clinical research studies.



EXISTING FLOOR PLAN

Urology Clinic Renovation

